



Memorandum 48/2004

Commonwealth of Massachusetts | Public Employee Retirement Administration Commission
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Joseph E. Connarton, *Executive Director*

MEMORANDUM

TO: All Retirement Boards

FROM: Joseph E. Connarton, Executive Director

RE: Option A and Option B factors

DATE: December 23, 2004

The Commission is releasing the Option A and revised Option B factors effective July 1, 2004.

The revised Option B factors replace the factors that were released November 30, 2004 as part of PERAC Memo #44/2004. There is no change to the Option A factors from the November 30, 2004 memo.

The enclosed sheet shows two sets of factors for each option. The S factor is the present value factor for each option and age. The A factor is the factor used to convert the Annuity Savings Fund (ASF) balance to a monthly amount. **As with the current factors, the monthly annuity to be paid to a retiree is determined by multiplying the ASF balance by the A factor (under either retirement option).** This monthly value is then multiplied by 12 to get the annual annuity. Please note that the total allowance under Option A will not change with these new factors. The only change under Option A will be the annuity/pension allocation.

If you have any questions, please contact Jim Lamenzo at (617) 666-4446 ext. 921 or John Boorack at (617) 666-4446 ext. 935.

Encs.